

THE CITY OF SAN DIEGO
WATER DEPARTMENT

Strategic Business Plan

JUNE 2004



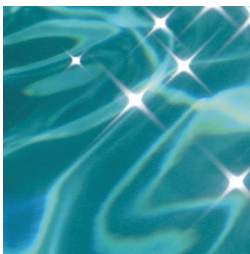


THE CITY OF SAN DIEGO
WATER DEPARTMENT



Our Mission

"To provide San Diego with Safe, Reliable, Cost-Effective Water and Outstanding Customer Service in an Environmentally Sensitive Manner."



Our Vision

To be a "Best-in-Class"
water utility for our customers.



THE CITY OF SAN DIEGO



June 21, 2004

Building on more than a century of success, the City of San Diego Water Department is poised to achieve even greater levels of performance with the implementation of this Strategic Business Plan (SBP). To ensure we are on the right course, we used our own employees and stakeholders as the driving forces behind the SBP. To further validate that we are moving in the right direction, we enlisted the help of, and got the approval from, other industry leaders.

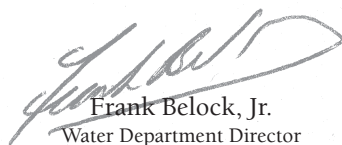
The Department's Strategic Business Planning process included careful examination of the water utility industry, our organization's capabilities and the dynamic forces that impact the City of San Diego Water Department. The Strategic Business Plan provides a comprehensive and cohesive approach to ensure achievement of the Department's business goals.

To fulfill the Department's mission "to provide San Diego with safe, reliable, cost-effective water and outstanding customer service in an environmentally sensitive manner" six key strategies were developed. They are:

- Build Public Trust, Partnerships and Customer Satisfaction
- Employee and Workforce Development
- Demand Accountability
- Effectively Use Existing Water Resources and Obtain Alternative Supplies
- Augment Revenue Streams and Control Costs
- Acquire and Implement Appropriate Information Technology

Implementation of these strategies ensures progress towards the vision "to be a Best-In-Class water utility for our customers." This living document is the map that will enable the Department to successfully navigate the road ahead. The commitment and dedication of those helping carry out the plan assures future success.

For those who have been part of this process of discovery, thank you for your participation and contributions. I also ask for your continued support as the City of San Diego Water Department embarks on this new era of improvement.


Frank Belock, Jr.
Water Department Director


Larry Gardner
Former Water Department Director

Commitment from the Water Department's Executive Team

As leaders of the Water Department, the Water Executive Team is responsible for setting a clear and concise direction, ensuring the long-term success of the Department, and providing a way for all staff to contribute. The signatures on this page represent the WET's commitment to the direction set forth in the Water Department's Strategic Business Plan and a continuing resolve to strategically chart the course into the future.



Richard Mendes
Deputy City Manager



Larry Gardner
Former Water Department Director



Frank Belock
Water Department Director



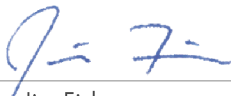
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The Purpose of the Strategic Business Plan

The City of San Diego Water Department provides potable and recycled water to the United States' seventh largest city. The Department's leaders aspire to constantly improve in order to create the highest value for its customers. A management review study done by Black and Veatch Corporation in 2001 indicated: "While many very good initiatives are underway or in process of being implemented, the Department would benefit from a formalized strategic planning process involving all aspects of the Department, as well as City support providers, in order to assure coordination of action plans, assignment of responsibilities, identification of milestones and dates, and implementation of measures to track results."

This Strategic Business Plan (SBP) provides this direction by balancing the Department's competing priorities, its constantly changing business environment and limited resources. The SBP, developed with extensive input from employees and stakeholders, also sets ways for the Department to prioritize its needs while linking its many divisions, programs and projects, both vertically and horizontally.

The SBP will be updated in the future to reflect changes to the times and the business climate.

The SBP describes how the Department can be most successful in serving its customers by laying out the strategies and tactics needed to maximize its resources. The SBP also describes how all the parts of the organization can work together for greater efficiency. Finally, it provides a way to measure progress.

The SBP's main goals are to:

1. Connect with key stakeholders and align the Department's services so they meet customer needs;
2. Identify staff needs and industry trends that affect the Department's services;

3. Establish common priorities within the Department and focus resources on them;
4. Create Vision and Mission Statements that act as guides for the Department and summarize its direction;
5. Establish overall business objectives and measure the progress towards those goals.

In addition, the Department's Water Executive Team (WET) created a list of other objectives for the SBP. The WET also wanted the SBP to:

- Develop core business goals and objectives;
- Measure the Department's potential for improvement by comparing where it stands today to where its leaders would like it to be (also known as a "Gap Analysis");
- Look at other utilities for business ideas;
- Realign staff in order to better accomplish core business goals and objectives;
- Develop a plan to address supplemental positions within the next four fiscal years (by 2007);
- Develop clear lines of responsibility and authority throughout the Department;
- Remove organizational redundancy and improve cooperation throughout the Department in order to increase effectiveness and efficiency;
- Bring the entire Department together working towards a common mission and goals;
- Ensure the Department's long-term viability.

The SBP provides a road map for the continuing evolution and improvement of the City of San Diego Water Department by creating specific goals for the Department. At the same time it measures the progress towards those goals.

Strategic Planning Process Overview

The strategic business planning approach is an ongoing cycle. The process begins with learning from the past, clearly understanding the present and then planning for the future. As shown in Figure 1, the continuous cycle includes:

- Plan the Plan
- Explore, Evaluate and Educate
- Find Critical Issues and Common Values
- Build a Vision and Mission
- Identify Strategies
- Implement the Plan
- Live and Drive the Vision

The planning process used by the Water Department was tailored to the Department's needs. It includes many unique aspects including increased community outreach and employee participation, as well as a "Peer Review" by industry leaders to validate direction and ensure broad perspectives.

As the Department evolves and changes, the SBP will be updated to remain relevant.

The SBP is a product of a huge amount of teamwork. Heading the effort was the WET. While the WET served as the principal working group, it was aided by employee workgroups from throughout the entire Department (such as the Self Assessment Team, Bid-To-Goal Team and the Engineering Workgroup) as well as other City stakeholders.

Prior to creating strategies and determining responsibilities, there was a significant amount of research, stakeholder outreach and analysis. A clearly delineated step-by-step process was used to create the Department's SBP.

The first step was to establish ground rules for the WET as it built the SBP. The rules were to:

- Share a common vision balanced between immediate success and long-term viability;
- Agree to Three Musketeers Philosophy, "All for One, One for All;"
- Agree that if staff is centralized, current levels of service to the respective sections/divisions will be maintained;
- Ensure staffing decisions are dictated by SBP objectives;
- Achieve day-to-day divisional excellence while focusing on the Department's overall goals and objectives.

Once the ground rules were agreed upon, the WET next committed to a project plan to ensure the success of the SBP. The project plan documents agreed upon roles and responsibilities for project completion, lines of project communications, project

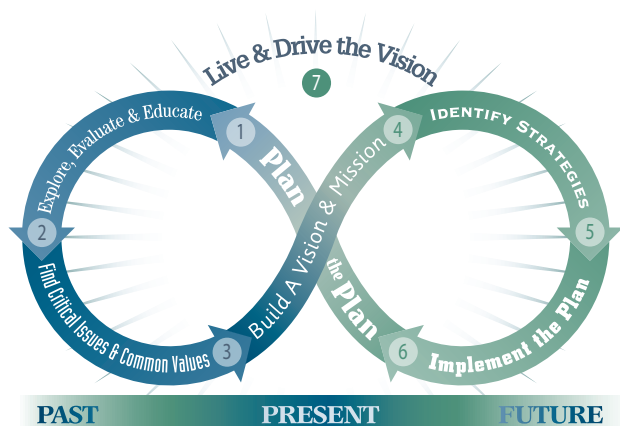


Figure 1. The Water Department has a continuous strategic planning and implementation process.

tasks, schedules and information pertinent to project success. Various “Success Factors” became the foundation as the project moved forward (see Figure 2).

SUCCESS FACTORS

- Having Department staff and key stakeholders understand, participate in, and support the creation of the SBP.
- Focusing on what is best for the Department as a whole rather than what benefits individual sections or divisions.
- Providing a basis for continuous improvement and a mechanism for updates based on internal and external changes and as the Department progresses toward goals.
- Creating a comprehensive internal and external outreach program that promotes strong, open communications.
- Creating and prioritizing clear, concise and easy-to-understand goals, objectives and strategies.
- Putting the Department in the most competitive position by producing tangible, measurable results that can be easily shown using a formal Performance Measurement System.
- Completing the SBP on schedule without compromising other planned Department initiatives and improvements.

Figure 2. These seven points are critical to the success of the strategic business plan.

The next step for the WET was to conduct an environmental scan. This identified all relevant issues and industry trends that needed to be considered during the strategic planning process. It was vital that this portion of the project be comprehensive.

Therefore, all critical issues were discussed and the Department solicited input from key stakeholders.

The WET thoroughly researched and analyzed current and future water industry trends. The American Water Works Association Research Foundation (AwwaRF) project, “A Strategic Assessment of the Future of Water Utilities,” (AwwaRF 2001) was the source of water industry critical issues. Following is a brief description of the industry trends relevant to the Department:

INFRASTRUCTURE/RATE PRESSURE -

Water and wastewater infrastructure nationwide is aging. Presently, the trend on the national, state and local levels is insufficient public support to fully fund all necessary improvements.

WATER QUALITY (ENVIRONMENTAL)

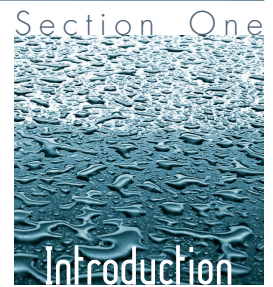
REGULATIONS - Water quality and environmental regulations are increasingly influenced by new technology and stakeholder groups. The ongoing challenge is to meet the more stringent regulations in the most cost-effective ways.

HUMAN RESOURCES PROGRAM/RELATIONS

NEEDS - Continuing shifts in demographics require that utilities give special attention to both its customer base and its employees. A spike in employee retirements is also on the horizon.

EXTERNAL/INTERNAL COMMUNICATIONS NEEDS -

The stakeholder groups of a typical water utility are becoming extremely complex. To ensure effective communication with all stakeholders, utilities must both inform the stakeholders of Department projects and also listen to their concerns.



Section One

Introduction

WORKFORCE/BUSINESS PROCESS IMPROVEMENT

- Governing Boards and elected officials have increasing expectations of water utilities to operate in an efficient and cost-effective manner. To meet these demands the Water Department must improve its operating and business processes, and ensure that its staff is highly trained.

TECHNOLOGY ADVANCES - The pace of technological advancement is staggering. Technology must be used to its maximum in order for water utilities to remain competitive.

WATER RESOURCES SCARCITY - Many areas of the United States, including San Diego County, have experienced both tremendous population growth and drought conditions. It will be very important to evaluate all water supply options and establish sustainable water resources. (See Appendix A for details regarding trend analysis.)

STAKEHOLDER ANALYSIS - The next step for the WET was to solicit input from internal City stakeholders. The expectations and needs of the stakeholders were collected during one-on-one interviews. Representatives from the following groups were interviewed:

- Mayor and City Council Offices;
- City Manager's Office;
- Deputy City Manager;
- Water Executive Team Members.

Once the one-on-one interviews were complete, a series of focus groups was held. These expanded the SBP's outreach and increased contact with the stakeholders. Structured questions were developed and used. By tabulating and grouping the focus group responses, new themes and trends developed. The City departments and organizations included in the focus groups are shown in Table 1.

FOCUS GROUP	GROUPS REPRESENTED
City Department Stakeholders	Attorney Auditor/Comptroller Development Services Engineering and Capital Projects Financial Management Information Technology and Communications Metropolitan Wastewater Department Real Estate Asset Department Risk Management Treasurer
City -10	The City's ten representatives to the San Diego County Water Authority Board.
Public Utility Advisory Commission (PUAC)	The PUAC provides advice and recommendations to the Mayor, City Council, City Manager and the Deputy City Manager on matters related to water and sewer utilities operations, which impact ratepayers and residents of the City of San Diego.
Local 127	The labor representative for the City's maintenance, labor, skilled trades and equipment operator units.
Municipal Employee Association (MEA)	The labor representative for the City's Administrative Support, Professional and Supervisory Units.

Table 1. The key external stakeholders in the focus groups and who they represent.



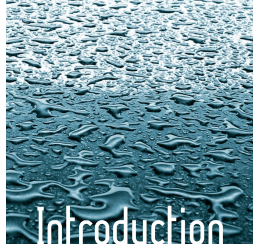
While the input was being gathered from Department stakeholders, the WET created a Self-Assessment Team, consisting of a cross-section of staff from the Water Department. This team's task was to compare each of the Department's business services with the industry's "best practices." This "Gap Analysis" illustrates the difference between the two while highlighting the Department's strengths and weaknesses. With this information the Department can more effectively tap into its strengths in order to alleviate any weaknesses.

A vital step in the creation of the SBP next took place when the WET conducted a Strengths, Weaknesses, Opportunities, and Threats Analysis. This was done to determine what issues were most critical to the leaders of the Water Department. The key issues identified by Department leadership were:

- Ensuring the security and safety of the water supply;
- Ensuring the Department is responsive to customers;
- Improving public perception of water quality and operational efficiency;
- Being open and responsive to the needs of other City departments while maintaining the fiduciary responsibilities of the Water Department's enterprise fund;
- Developing and using a performance management system;
- Ensuring revenues are adequate to meet the increased demands placed upon the Department;
- Refining the organizational structure to make it more efficient;
- Increasing political advocacy and communication with elected officials;
- Making the Department less dependent on current water providers;
- Improving the use of technology to meet Department needs;
- Attaining an adequate return on investment on any information technology purchased;
- Developing enhanced leadership from Water Department executives;
- Creating clear strategies for the Department and ways to communicate the strategies to employees and customers;
- Meeting all current and future regulatory demands;
- Creating a highly trained and flexible workforce;
- Supporting employees by creating a positive work environment and culture.

These critical issues were then used as a basis to create the Department's new Mission and Vision Statements and its Guiding Principles. (Details regarding the Mission and Vision Statements and Guiding Principles are found in Section Two.)

Through this exhaustively detailed analysis, the Department was able to identify its critical issues. Those issues were then analyzed to determine which held the greatest opportunities for success while at the same time having the least amount of risk. These issues formed the core component of the SBP: the Six Strategies. (Details regarding the strategies are found in Section Three.)



Strategy Development

Detailed development of each strategy included:

- Assigning a strategy advocate and sponsor team to ensure continuity and sponsorship for each strategy;
- Performing a strengths and weaknesses analysis to determine the Department's ability to successfully carry out the strategy;
- Identifying organizational implications of the strategy.

Tactical planning including:

- Prioritization;
- Resource and funding availability;
- Responsible party assignment;
- Performance measures identification.

The WET then analyzed and assessed each tactic contained within the strategies. The tactics were prioritized into categories:

A – Tactics Currently Underway;

B – Tactics to Begin in FY05;

C – Future Tactics Beyond FY05.

In the future, tactics may be re-analyzed based on a number of factors including resources, budgets and changes in the business environment. Flexibility is required to meet customer's needs.

The primary responsibility for each tactic was assigned at the division or section level.

All strategy tactics were analyzed to see if they fell within current Water Department programs. If the tactic could not be placed within a current program, a new program needed to be created to ensure the implementation of the tactic. This step is vital in preparing for implementation of the SBP.

Full implementation of the SBP is pending adoption of the SBP and is covered in Section Four.

Plan Communications

At the beginning of the SBP process, the WET determined it was important to keep employees and external stakeholders updated on the plan's progress. Results were discussed in Department meetings, communicated to participating staff members during SBP related events, shared with both internal and external stakeholders, and published in a newsletter called the Strategic Business Planning Update. These sorts of communications will continue throughout implementation of the SBP.

Performance Metrics Framework

The strategies were developed using the Balanced Scorecard Performance Measurement Methodology. This multi-dimensional process complements the long-range planning process by establishing measures that drive programs toward the Vision. This approach translates the Vision into actions and communicates how day-to-day operations contribute to reaching the Vision. As shown in Figure 3, the Department scorecard contains measures and targets for each of the strategies.

Performance Measures Use

Performance measures are a communication tool to use with customers, employees and other stakeholders. They provide feedback on business processes or practices. With ongoing education and communication of performance measures, all employees will gain a better understanding of their role in achieving the Vision. Regular action based on the measures will be taken continuously. Also,



the targets will be periodically reset to new performance levels. The key expectations from implementing the Performance Measurement System are to:

- Focus on “What’s Important;”
- Ensure employees understand their expected performance;
- Ensure the Department is able to track and inform all stakeholders about the Department’s progress;
- Extend accountability throughout the organization;
- See how the Department compares with other agencies and industry standards;
- Ensure the Department is meeting regulatory requirements;
- Ensure the Department is meeting customer expectations;
- Show employees how they fit into the organization.

Explanation of Strategy Driven Approach

Developing performance measures for the strategic and tactical initiatives ensures these initiatives will carry out and support the strategic direction set by the Department. As shown in Figure 3, the strategic goals, objectives, measures and targets provide performance feedback directly to work teams or individuals. Measures focus on the outcomes necessary to achieve the strategic goals and tactics, and align with the overall strategic direction. With systematic performance feedback, these teams and individuals can make operational improvements. With each measured cycle of continuous improvement, the Department will reach new levels of performance, benefiting its customers and the public.

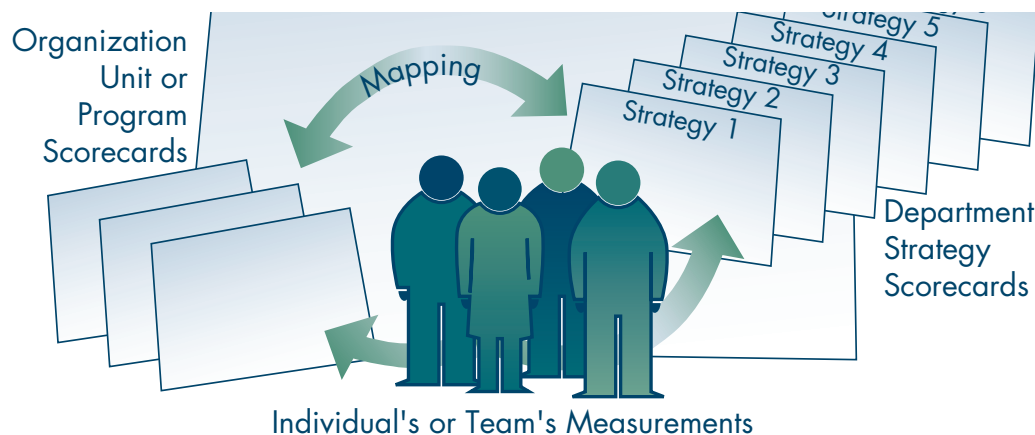


Figure 3. Strategy driven Balanced Scorecard approach.

Balanced Scorecard Overview

The Department's strategic direction, strategies and related tactics provide the goals and objectives for the performance measurement system. This framework aligns the Department's tactics with its ongoing operations. As shown in Figure 4, the strategic goals and objectives span four perspectives: Financial, Learning and Growth, Internal Business Process, and Customer. For each goal and objective, short- and long-term measures are being identified in order to ensure the Department is meeting its objectives.

The Balanced Scorecard framework translates the Department's Vision and Strategies into four business perspectives, which are defined as follows:

Financial - Emphasizes cost efficiency and focuses on economic value and return on investment.

Customer - Focuses on identifying what the Department's external customers value and their expectations of the Department. It then matches those values and expectations with the Department's abilities to provide quality water and other services.

Internal Business Processes - Focuses on key business processes and where the Department must excel in order to meet its goals and objectives.

Learning and Growth - Focuses on Department employees, quality of internal information systems and the effects of organizational realignment to help accomplish goals and objectives.

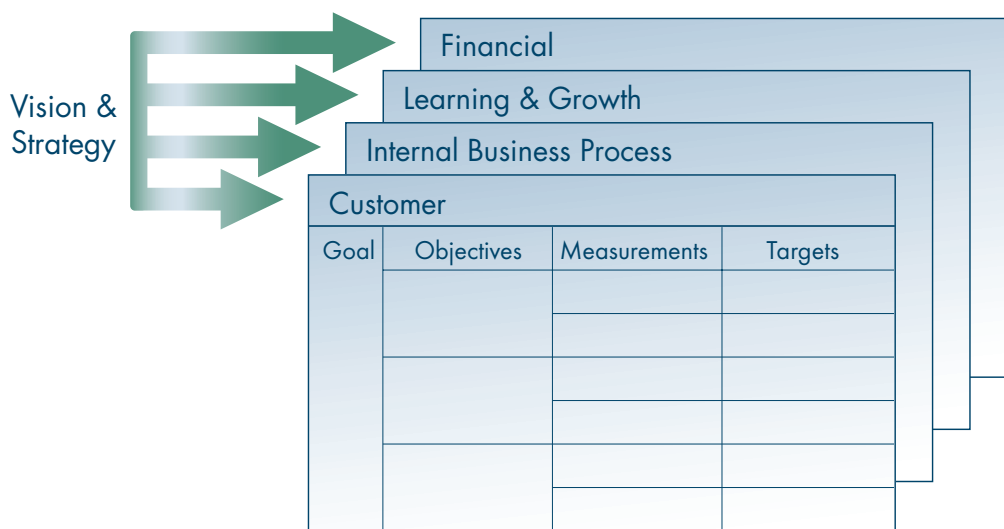


Figure 4. The Balanced Scorecards are driven by the Water Department's Vision and Strategies.

Mission Statement and Core Values

The Water Department's Business Framework consists of a Mission, a Vision, Values and Guiding Principles. The Business Framework provides a common baseline from which to work and gives Department employees direction when prioritizing activities.

Mission

The Mission identifies the Department's underlying principle:

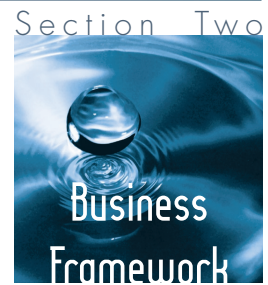
“To provide San Diego with Safe, Reliable, Cost-Effective Water and Outstanding Customer Service in an Environmentally Sensitive Manner.”

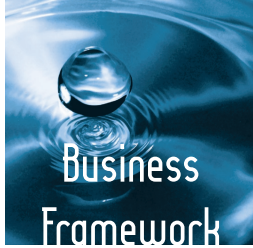
The Department's Core Values define the qualities that direct the behaviors of Department employees and provide a framework that's used while striving to accomplish the Mission and Vision.

Core Values

- To proactively listen to, focus on and respond to customers and community in order to provide best-in-class service;
- To hold employees accountable for achieving the best value for the customers by basing decisions on solid business cases.
- To maintain a nurturing culture where employees respect, support and value each other in a high-performing team environment;
- To celebrate successes in achieving results that are attributable to professionalism, innovation and resiliency;
- To practice open, honest and clear communications;
- To promote environmental sustainability by preserving and reusing resources;
- To be open and responsive to the needs of the City of San Diego while fulfilling the fiduciary responsibilities of the Water Department;

The Water Department's strategic goals and means of achieving them are fully aligned with the City's norms and values.





Vision Statement and Guiding Principles

Vision

The Department's Vision defines the Department's biggest goal:

***“To be a Best-In-Class Utility
for Our Customers”***

The Guiding Principles serve to direct the Department's future. They are used to develop a unified organization that is aligned and working together toward the Vision. They are the ideas and goals that form the foundation of the primary strategies.

Guiding Principles

- Significantly elevating public trust and confidence in water quality and Departmental efficiency;
- Constructing and maintaining enhanced security measures that eliminate threats to safe water;
- Providing timely, informative and accurate response to all customers (internal and external);
- Creating and obtaining sufficient alternative sources of water to augment the existing sources and meet future needs;
- Operating the Department in the most cost-effective and efficient manner;
- Providing the education and training that fosters an environment to develop an efficient, productive, high-performing and flexible workforce including full implementation of the Water System Technician classification;
- Gaining the trust and support of the Mayor and Council, City Manager and the community to obtain approval of Department initiatives;
- Creating and demanding accountability from all Department employees and service providers;
- Developing an organization with well-defined roles and responsibilities that facilitates the accomplishment of Department objectives;
- Striving for environmental sustainability by managing resources and operations in an environmentally sensitive manner;
- Acquiring IT systems and services at competitive prices that also meet all business requirements;
- Enhancing existing and developing new revenue streams to satisfy current and future capital and operating requirements;
- Creating and effectively communicating the vision for the Department and developing a dynamic and successful strategy to carry it out Department-wide;
- Satisfying current regulations and actively influencing and shaping the development of future regulations;
- Proactively planning and implementing fund transfers from the Water enterprise fund.

Aligning Business Goals and Objectives

The SBP outlines the most important aspects of the Water Department and its strategic direction, primary business goals and objectives. The most important issues identified by the Department are:

- Enhanced stakeholder outreach, communication and legislative advocacy;
- Assured water supply;
- Cost-effectiveness and revenue generation, and
- Increased employee and workforce development.

The following strategies have been developed and refined based upon input from key stakeholders and by analyzing industry trends. By working toward completing these strategies, the Water Department will ensure it will meet its Vision of being a “Best-In-Class” utility. These strategies are formed around the Water Department’s Guiding Principles and are aligned with the Mission.

The SBP presents a medium- to long-range planning and implementation window of three to five years. Though goals will be tracked and updated frequently, the Water Department will update the SBP annually.

Strategy Formation

Framing the strategies included reviewing the Mission, Vision, Guiding Principles and assessment results, and then determining what must be done in order to follow the Guiding Principles in achieving our Mission and Vision.

The strategies cover areas such as partnerships, resource management and growth, operations, service providers, customers and community, business processes, Human Resources Program, information technology, finance and purchasing. To be effective, the strategies are action oriented and include tactical plans. They will act as key business drivers and will provide assistance when determining the priorities of future programs and initiatives.

Each strategy contains part of the answer to the question “How does the Department get from where it is today to realizing its Vision?” The Strategy Statement elaborates on the strategy, further explaining and clarifying the goal.

Tactics are the procedures, programs, and initiatives needed to accomplish the goal. They translate the strategy into a course of action and are arranged chronologically. The timeframes include tactics that are currently underway, tactics to begin in FY05 and long-term tactics that will begin more than a year after the SBP’s implementation.

Sponsors are advocates for the strategy, but not necessarily responsible for providing the funding or the personnel to ensure it is implemented. As high-level supporters of the strategy, sponsors help identify and prioritize tactics in a rational fashion.

Guiding Principles are listed to demonstrate the linkage to the Water Department’s critical issues and ensure strategies address each of the Guiding Principles.



Initial Performance Measures are the beginning of a more detailed performance measurement system to gauge strategy effectiveness and success. Performance measures are necessary to ensure continued improvement. The measures are indicators of success and assist in surveying the impact of a program or approach. Each Strategy's Performance Measures will "rollup" to the Department's Enterprise Performance Scorecard. As scorecards are developed for each strategy the initial measures will be further refined.

Water Department Strategies

The Water Department's six main strategies are:

- Build Public Trust, Partnerships and Customer Satisfaction
- Employee and Workforce Development
- Demand Accountability
- Effectively Use Existing Water Resources and Obtain Alternative Supplies
- Augment Revenue Streams and Control Costs
- Acquire and Implement Appropriate Information Technology

Details regarding each of these strategies are found on the following pages.

Build Public Trust, Partnerships and Customer Satisfaction

Strategy Statement

Build public trust, support and confidence with all internal and external stakeholders, which include the Mayor, Council, City Manager, other City Departments and Agencies, employees and rate payers. Provide timely, informative and accurate information, resulting in support of all Water Department initiatives.

Tactics Currently Underway

1. Use the Department's lobbyist to assist with educating State and Federal Agencies on the Department's achievements and needs.
2. Integrate Station 38's role in the Department's emergency operations process.
3. Implement an enhanced Speakers Bureau Program, which includes presentations on key Department issues including water supply, our history, where we are going, and how customers, stakeholders and employees can help us achieve our goals and objectives.
4. Participate in more community events, such as fairs, parades, and school events to share the Department's rich history, its services and its commitment to the community.

Tactics to Begin in FY05

5. Develop a Communication Plan to interact with and educate customers on services provided.

6. Develop and implement a Customer Survey to monitor service performance and track key performance measures.
7. Create suggestion forms via Internet mail to give people an opportunity to provide feedback on how the Department is doing.
8. Begin a Neighborhood Recognition Award Program for Water Conservation.
9. Develop and implement a Department-wide process that tracks and monitors customer inquiries, service requests and complaints for timely resolution and follow-up to ensure outstanding customer service.

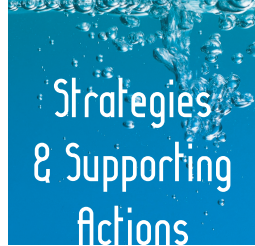
Future Tactics Beyond FY05

10. Establish periodic workshops for Mayor, Council, PUAC and others, on topics that impact the Water Department.
11. Schedule semi-annual meetings with Mayor, Council, and Manager to discuss Water Department issues and to provide updates on CIP Projects.
12. Develop a Neighborhood Watch Program for leak repairs.
13. Encourage all employees' participation on water industry professional committees and boards.
14. Find opportunities to be innovative in the water industry by piloting new opportunities to build partnerships on projects.

Sponsors

Strategy Advocate: Vic Bienes

Sponsors: Frank Belock,
Paulette L. Mormino and Alex Ruiz



Responsible Resources

- Director
- Water Executive Team
- Business Operations Division
- CIP Program Management Division
- Customer Support Division
- Human Resources Program
- Public Information Office
- Water Operations Division
- Water Policy Division

Guiding Principles Addressed by this Strategy

- Significantly elevating public trust and confidence in water quality and Departmental efficiency.
- Striving for environmental sustainability by managing resources and operations in an environmentally sensitive manner.
- Gaining the trust and support of the Mayor and Council, City Manager and the community to obtain approval of Department initiatives.
- Providing timely, informative and accurate response to our customers (both internal and external).

Initial Performance Measures

- Level of Customer Satisfaction Index from the Customer Satisfaction Survey.
- Ratio of Service Requests completed within the allotted time frame specified in divisional performance standards or other policies and procedures, to the total number of Service Requests.
- Number of requests for Water Department community presentations compared to last year.

Note: Performance Targets will be defined during implementation of the Strategic Business Plan and development of the Department's Enterprise Scorecard.

Employee and Workforce Development

Strategy Statement

Develop and maintain a flexible, well-trained, motivated and accountable workforce through proactive recruitment strategies and planning. Retain institutional knowledge, and maximize employee potential, by ensuring that knowledge and skills are continually developed and broadened through employee training.

Tactics Currently Underway

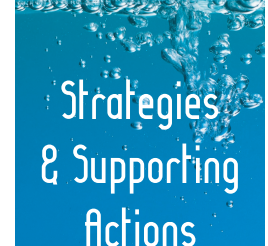
1. Build and encourage high-performing teams by incorporating into all performance plans and templates expectations of specific attitudes and behaviors that are key ingredients to effective teamwork.
2. Continue enhancements to the Water Department Performance Library, providing supervisors with all the necessary tools to communicate with and evaluate employees to work standards and expectations, and mechanisms to aid employee development.
3. Ensure appropriate and inappropriate behavior and performance is immediately recognized and addressed in a timely and appropriate manner through continuous communication, coaching and the training of supervisors and managers.
4. Continuously assess the effectiveness of each of the Department's Rewards and Recognition programs through surveys and other employee feedback mechanisms. Update or enhance the programs in order to meet the objective of motivating employees to maximize productivity and achieve their full potential.
5. Continue enhancing the Training Section by supporting the Section's International

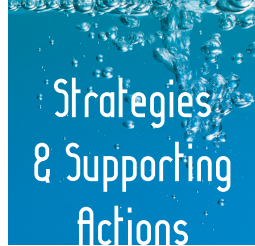
Association Continuing Education Training certification status which enables it to provide services such as specialized training for Water Systems Technician, continuing education for Water classifications and Instructional System Design Model. Maintain accurate and timely training records.

6. Continue the Internship Program for engineers and administrative positions.
7. Continue current employee development programs such as Club 70, to assist employees to improve their test taking skills.
8. Encourage employees' use of City educational incentive programs such as certification pay, registration pay, tuition and certification reimbursement.
9. Provide classroom and on-the-job training to ensure a flexible and well trained workforce.
10. Implement a Department-wide Medical Program so that employees, supervisors, managers and other departments assist with employees' return to work after injury.
11. Develop consistent, accurate and reflective performance standards for all employees.
12. Enhance the New Employee Water Academy for field/plant construction and maintenance employees to include all required specialized training for DHS Distribution Operator certification. Also, ensure employees understand and apply all Cal-OSHA requirements while performing daily tasks and provide hands-on field training.

Tactics to Begin in FY05

13. As part of employee development, encourage employee participation on boards and committees in professional organizations by incorporating such discussions in employee performance evaluations.





14. Review and identify classifications that would be conducive to centralized hiring.
15. Identify existing classifications where duties can be collapsed into one classification series, excluding the Water Systems Technician classification.
16. Promote internal Water Department rotations among engineering, field and administrative employees to allow them the opportunity to expand their work experience.

Future Tactics Beyond FY05

17. Develop a Department Succession Plan to ensure institutional knowledge is captured, by creating a team to review and determine key positions throughout the Department and develop recruitment and training strategies to mitigate problems caused by turnover.
18. Develop leadership training modules for supervisors to enhance leadership, organization and communication skills.
19. Create a partnership with educational institutions to enhance the Department's ability to have a broad pool of qualified candidates.
20. Evaluate and make recommendations for a formal New Employee Orientation Program.
21. Survey employees to assess the effectiveness of mandatory by law training.

Sponsors

Strategy Advocate: Paulette L. Mormino

Sponsors: Bob Collins, Jim Fisher, Lester Jennings and Alex Ruiz

Responsible Resources

- Water Executive Team
- Business Operations Division
- CIP Program Management Division
- Customer Support Division
- Human Resources Program
- Water Operations Division
- Water Policy and Strategic Planning Division

Guiding Principles Addressed by this Strategy

- Operating the Department in the most cost-effective and efficient manner.
- Providing the education and training that fosters an environment to develop an efficient, productive, high-performing and flexible workforce including full implementation of the Water System Technician classification.
- Developing an organization with well defined roles and responsibilities that facilitates the accomplishment of Department objectives.
- Satisfying current regulations and actively influencing and shaping the development of future regulations.

Initial Performance Measures

- Percentage of employees who receive their required number of continuing education units.
- Ratio of training hours to number of work hours per employee.
- Percentage of employees missing two or less mandatory training classes.
- Percent of Performance Evaluations administered greater than thirty days beyond the end of the rating period.
- Ratio of overtime hours to regular hours worked.
- Ratio of employees who have mandatory certifications.
- Percentage of employees satisfied with mandatory by law training.

Note: Performance Targets will be defined during implementation of the Strategic Business Plan and development of the Department's Enterprise Scorecard.



Demand Accountability

Strategy Statement

Enhance and be accountable for performance in order to increase productivity and make the Department more cost-effective. This will also improve the Department's ability to focus on important requirements more effectively and efficiently. Develop and report on valued performance goals that link to service objectives so that employee responsibility and accountability assists in accomplishing goals.

Tactics Currently Underway

1. Provide continuous feedback to employees and service providers based on objectively measured performance metrics.
2. Create an environment that encourages and rewards people for accountability and consistently being a high performer.
3. Participate in industry benchmarking and standards setting efforts such as QualServe Benchmarking Clearinghouse.
4. Evaluate and implement Bid-to-Goal as appropriate Department-wide.
5. Review existing Department and/or division policies and procedures and take necessary steps to ensure employees are familiar with them and that they comply with them.
6. Ensure external contracts are monitored and enforced.

Tactics to Begin in FY05

7. Identify and monitor roles, responsibilities and accountabilities for all employees.
8. Develop Service Level Agreements (SLAs) that recognize and acknowledge

good service as well as provide performance metrics to identify substandard service and trigger correction or cancellation provisions as warranted.

9. Strengthen collaboration among service providers and Department.

Future Tactics Beyond FY05

10. Incorporate performance measures into individual employee performance plans.
11. Identify essential objectives for acceptable service and translate the requirements into measurable and accountable performance standards.
12. Measure service activity results against defined service levels.
13. Examine measured results to identify problems and determine causes.
14. Take appropriate action to correct unsuccessful activities, processes and deliverables and prevent problems from recurring.
15. Periodically post reports on how well Department teams are meeting their performance measures.
16. Ensure that SLAs are focused on and support requirements that are linked to a strategic goal.
17. Create an SLA Coordinator/Analyst who is responsible for reviewing and updating SLAs needed. This position should report to the Business Operations Division Manager.
18. Ensure that standard operating procedures for each job classification are documented and each employee understands their responsibilities.
19. Develop an effectiveness and efficiency survey for business units that provides



feedback on meeting business objectives and how successfully the Department uses resources to produce desired results.

20. Establish “Standards of Work Conduct” Department-wide for all classifications.

Sponsors

Strategy Advocate: Mark Stone

Sponsors: Lester Jennings, Linda Schmidt and Charles Yackly

Responsible Resources

- Water Executive Team
- Business Operations Division
- CIP Program Management Division
- Customer Support Division
- Human Resources Program
- Water Operations Division
- Water Policy Division

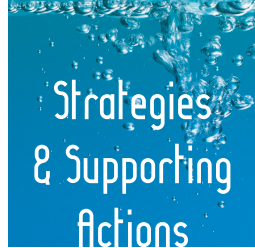
Guiding Principles Addressed by this Strategy

- Striving for environmental sustainability by managing resources and operations in an environmentally sensitive manner.
- Operating the Department in the most cost-effective and efficient manner.
- Creating and demanding accountability from all Department employees and service providers.

Initial Performance Measures

- Percentage of contracts completed within budget.
- Percentage of employees with performance measures in their performance plans.
- Percentage of employees who receive performance evaluations on time.

Note: Performance Targets will be defined during implementation of the Strategic Business Plan and development of the Department's Enterprise Scorecard.



Effectively Use Existing Water Resources and Obtain Alternative Supplies

Strategy Statement

Effectively manage existing water resources and develop sufficient alternative water supplies to meet future demands.

Tactics Currently Underway

1. Implement the San Diego Water Department Long-Range Water Resources Plan. Develop and implement programs to meet the plan's objectives for alternative water supplies and enhance existing programs by 2010:
 - Groundwater treatment program 10,000 acre-feet per year;
 - Recycled water program 15,000 acre-feet per year;
 - Groundwater storage program 20,000 acre-feet per year;
 - Conservation program 32,000 acre-feet per year;
 - Water transfer program 5,000 acre-feet per year.
2. Develop new, and strengthen existing, partnerships with other water agencies and private industry to provide the City with opportunities to augment water sources and more effectively use existing facilities and sources.
3. Develop City-10 and PUAC relationships to be supportive of, and advocate for, this strategy.
4. Proactively position the Water Department to receive outside funding

through lobbying activities at the State and Federal levels to implement the Long-Range Water Resources Plan.

5. Actively pursue working with CWA and MWD to maximize water deliveries through existing water sources and incentive programs to effectively utilize the City's water system assets.
6. Decisions on alternative water sources, participation in research and technology, and partnerships should be considered after evaluating the costs and benefits.
7. Actively protect City's watersheds through education and partnerships with developers and other stakeholders.
8. Pursue future, and protect and leverage existing, water and capacity rights.
9. Develop and manage the annual Water Purchase Plan in the most cost-effective way.
10. Implement the Water Systems Operation Optimization Plan to operate the system in the most efficient and cost-effective manner.
11. Execute capital projects to reduce City's imported treated water purchases.

Tactics to Begin in FY05

12. Identify appropriate resources, including staffing, to ensure success of this strategy.
13. Review and modify Council Policies 400-9 (Action Plan for City's Future Water Supply) and 400-4 (Emergency Storage) to reflect the Water Department's strategic direction.
14. Develop and implement a desalination program (brackish groundwater and/or ocean water) by the year 2012.



15. Develop water resource opportunities such as beneficial water reuse programs through keeping up with industry trends.

Future Tactics Beyond FY05

16. Pursue opportunities to evaluate and develop new technology, keep abreast of latest industry research, and be actively involved in such activities that directly benefit the Water Department.
17. Identify long-range CIP (20 years) to include projects supporting this strategy.

Initial Performance Measures

- Cost of procuring an acre foot of water
- Cost of treating an acre foot of water
- Cost of distributing an acre foot of water
- Percentage of each water source to total supply (diversification of water supply portfolio)

Note: Performance Targets will be defined during implementation of the Strategic Business Plan and development of the Department's Enterprise Scorecard.

Sponsors

Strategy Advocate: Marsi A. Steirer

Sponsors: Jim Fisher, Kent Floro and Gary Stalker

Responsible Resources

- Director
- Business Operations Division
- CIP Program Management Division
- Water Operations Division
- Water Policy Division

Guiding Principle Addressed by this Strategy

- Creating and obtaining sufficient alternative sources of water to augment our existing sources and meet our future needs.



Augment Revenue Streams and Control Costs

Strategy Statement

Enhance existing and develop new revenue streams to meet capital and operating financial requirements while controlling costs.

Tactics Currently Underway

1. Effectively employ consultants, lobbyists, and industry organizations to influence legislation in order to maximize grant opportunities and minimize cost impacts.
2. Establish aggressive participation in legislative workgroups to enhance grant opportunities and avoid cost impacts.
3. Review existing contracts to ensure that all affected employees are knowledgeable of the services to be received and that appropriate amounts are being charged for contractual services rendered.
4. Enhance the contract monitoring system to track actual revenues versus expected revenues to be received.
5. Develop strict procedures and processes for the review and revision of all fees and charges.
6. Develop an effective cost and performance tracking mechanism for Service Level Agreement's (SLA's) requirements including SLA provisions providing for effective enforcement and mitigation.
7. Monitor the Department's portfolio of real property in order to identify opportunities to maximize the yield from sales and leases.
8. Develop public/private partnerships to reduce financial outlays associated with the acquisition of a Central Water Department Facility.
9. Develop lease/purchase or comparable financing for the implementation of a Computerized Maintenance Management System.
10. Identify City or other agency water system facilities that can be leased or shared to enhance revenue or reduce costs. The review would include particular emphasis on water storage, transportation, and treatment facilities as well as water exchanges.
11. Establish partners for capital and operating program cost sharing and develop opportunities to sell Department services and products including, but not limited to, reclaimed and potable water.
12. Provide for proper accounts payable handling through the development of comprehensive procedures and use of trained personnel in Business Operations Division and other divisions.
13. Improve long-term financial planning by updating on an annual or more frequent basis, the existing 10 year revenue and expense projections. The 10-year plan should be enhanced by developing comprehensive and detailed capital and operating cost and revenue projections, as well as include an analysis of the adequacy of existing rates and financing.
14. Ensure the new General Ledger System meets the Department's cost monitoring, tracking and reporting needs.

Tactics to Begin in FY05

15. Establish an effective organizational structure, with the appropriate expertise in the Water Policy Division, to administer the Department's legislative affairs.
16. Prepare and prioritize the elements of a strategy instrument (tool) containing designated areas and efforts to pursue optimum funding opportunities.
17. Cooperate with other departments through the SLA process, or alternative means, to ensure all revenue due is received and routine audits are performed (e.g. lakes concessions, developer fees, property leases, etc.).
18. Provide extended oversight and involvement of Water Policy Division personnel to identify potential cost sharing opportunities in the form of development agreements and related cost sharing/revenue producing partnerships.
19. Ensure each employee responsible for a budget is trained and able to access current budget data.
20. Periodically utilize Zero-Based Budgeting principles to review and prepare budget requests in order to validate and re-establish program funding.
21. Establish working relationships with other departments and organizations to provide relevant input to the Water Department's long and short term financial plans allowing for the timely receipt of requirements to meet annual budget preparation schedules and long-term plan updates.
22. Require purchase justification for budgeted and non-budgeted equipment outlay over \$5,000.
23. Designate a project manager to be responsible for any initiative greater than \$100,000. The project manager must adhere to the standard project management methodology and develop a project concept and/or business case justification as required.
24. Require a structured Business Case justification for new and existing CIP projects and other initiatives over \$500,000.
25. Place responsibility for administering budget to lowest applicable level, such as the senior supervisor level.
26. Develop procedural models and processes such that employees may recognize opportunities and take calculated risks as opposed to performing costly and inconsequential studies.
27. Review and adjust existing fees and charges every 3-5 years to ensure they reflect the actual costs of providing service or an appropriate market rate of return.
28. Perform cost of service study updates on a regular basis.

Future Tactics Beyond FY05

29. Enhance the water meter calibration and replacement program to ensure the appropriate amount of revenue is received for water deliveries.
30. Establish new fees and charges where appropriate to ensure services and property/facility usage is appropriately compensated.
31. Ensure that SLAs are re-justified and reprioritized for funding each year as a part of the budget development process based on past performance criteria and Department priorities.



32. Use volunteers cost-effectively and develop other sources to help the Water Department whenever and wherever possible.

Sponsors

Strategy Advocate: Charles Yackly

Sponsors: Linda Schmidt, Gary Stalker and Mark Stone

Responsible Resources

- Director
- Business Operations Division
- CIP Program Management Division
- Customer Support Division
- Water Operations Division
- Water Policy Division

Guiding Principles Addressed by this Strategy

- Operating the Department in the most cost-effective and efficient manner.
- Enhancing existing and developing new revenue streams to satisfy current and future capital and operating requirements.

Initial Performance Measures

- Percentage of non-water sales revenue to total revenue.
- Percentage of deviation of actual costs of operating budget.
- Percentage of deviation of actual capital expenditures to capital budget.
- Ratio of "activities" completed within budget to total number of activities (includes SLAs in activities).
- Value of grants and contributions received versus that received the previous year.

Note: Performance Targets will be defined during implementation of the Strategic Business Plan and development of the Department's Enterprise Scorecard.

Acquire and Implement Appropriate Information Technology

Strategy Statement

Develop comprehensive systems and technologies to significantly improve the efficiency and effectiveness of the Department.

Tactics Currently Underway

1. Establish an IT operating committee consisting of peers and subject matter experts to recommend project prioritization.
2. Create an IT steering committee made up of the WET.
3. Utilize the current Information System Master Plan for IT decision making.

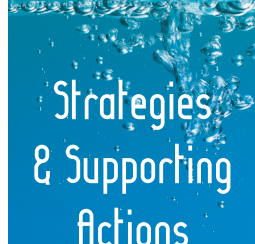
Tactics to Begin in FY05

4. Update the Water Information Systems Master Plan to comply with the Strategic Business Plan and with the City IT Strategic Plan.
5. Perform reviews of potential IT fatal system failures and determine impact on the Department.
6. All Water/Wastewater bills will be reviewed to ensure they are within expected levels based on historical consumption.
7. Develop and implement a schedule for retiring and replacing standard personal computer systems.
8. Regularly evaluate existing IT services, technologies and systems and pursue process improvements and/or new systems/technologies where appropriate.

9. Implement and enforce procedures for business staff and IT staff to perform IT project management.
10. Replace Customer Information System (CIS) with a Customer Relationship Management System (CRMS) which interfaces with other financial and purchasing systems.
11. Develop a comprehensive data management strategy.
12. Implement automated meter reading to commercial meters as well as residential meters for which it is cost-effective to do so.
13. Project annual and long range IT cost estimates and contingencies and incorporate these into the development of financing plans and Department priorities.
14. Coordinate related IT projects to avoid redundancies, optimize tasks and acknowledge dependencies.

Future Tactics Beyond FY05

15. Integrate Geographic Information System (GIS) data with other Water Department applications in order to provide spatial data access.
16. Replace Sewer Water Infrastructure Management (SWIM) with a Computerized Maintenance Management System (CMMS).
17. The effort to implement new technologies should be led by business/operational staff rather than IT staff. A "Business Process Champion" should be appointed for each IT project.
18. Use wireless technologies wherever feasible.



19. Develop and implement a Water/MWWD IT strategy to enhance communications and to optimize similar projects and policies.
20. Provide better end-user training for all IT systems.
21. Enhance Department's e-government system to improve customer access.
22. The Totally Integrated Data Enterprise System (TIDES) integration vision should be consistently reinforced.
23. Establish criteria in determining how current and future Department funds are prioritized and allocated so crucial IT projects can be initiated, consolidated and/or enhanced for optimal performance and meeting business objectives.
24. Establish a proactive IT security environment within City security guidelines.
25. Update supervisory control and data acquisition (SCADA) with security capabilities.

Sponsors

Strategy Advocate: Mike Bresnahan

Sponsors: Bob Collins, Kent Floro and Linda Schmidt

Responsible Resources

- Water Executive Team
- Business Operations Division
- Customer Support Division
- Water Operations Division

Guiding Principles Addressed by this Strategy

- Significantly elevating public trust and confidence in water quality and Department efficiency.
- Operating the Department in the most cost-effective and efficient manner.
- Gaining the trust and support of the Mayor and Council, City Manager and the community to obtain approval of Department initiatives.
- Providing timely, informative and accurate responses to all customers (internal and external).
- Acquiring IT systems and services at competitive prices that also meet all business requirements.

Initial Performance Measures

- Percentage of customers utilizing online (internet based) Water Department information sources and tools.
- Percentage of total assets tracked and maintained in a Computerized Maintenance Management System.
- Cost, per desktop, to provide and maintain computing capability

Note: Performance Targets will be defined during implementation of the Strategic Business Plan and development of the Department's Enterprise Scorecard.

Strategic Business Plan Implementation



Implementation will begin with the development of the Department's Enterprise Scorecard. This process will provide specific Business Goals to be achieved by each Strategy which may require adjustment of Initial Performance Measures and establishment of Performance Targets.

New roles, responsibilities and communication patterns will be part of the SBP implementation plan. Table 2 lays out each of the key roles and the various phases of strategic planning and implementation. This table will serve as a guide during the SBP implementation, which is broken into two distinct phases:

Overall SBP Implementation

Overall SBP Implementation includes activities such as communications, resource allocation, prioritization and performance measurement. These activities are the responsibilities of the City and Department leadership such as the Deputy City Manager, Department executives, and the Strategic Business Plan Coordinator.

Strategy Implementation

Strategy implementation involves carrying out the Department strategies and heavily involves the strategy resources such as the initiative's project managers and teams, the tactic responsible party (normally a division or section head), and to a lesser extent the Strategy Advocate and Sponsors.

Further, Table 2 points out how organizational integration and shared leadership occurs as a result of the strategic planning and implementation process. The WET will assume overall responsibility of the strategies during implementation. The WET will also

work together to provide the necessary resources to carry out the strategies. The strategy advocates and sponsors will be responsible for strategy formation and updates. As a result, all of the Department's executive leadership is focused on the main, cross-divisional, strategic initiatives and the tactics to carry them out are delegated and tracked at the appropriate organizational level.

Following is a definition of each of the roles referenced in Table 2.

Deputy City Manager Responsible for City policy-level decisions and integration between the Water Department and the Metropolitan Wastewater Department (MWWD). The Deputy City Manager will play an important role in communications with the City Council and Public Utilities Advisory Commission.

Department Director The Director maintains overall responsibility for strategic business planning and is the central figure in all of its aspects. The Director is the ultimate decision maker and mediates between diverse interests within the Department. The Director is key to carrying out both internal and external communications.

Water Executive Team The WET forms the nucleus of the strategic business planning function and provides the link between the SBP and Department operations. The WET performs annual strategic business planning updates and monitors progress of the Department's strategies on a quarterly basis. The WET members provide sponsorship and advocacy of the strategies and play a key role in internal communications.



STRATEGIC BUSINESS PLAN:				
Phase	Deputy City Manager	Department Director	Water Executive Team	SBP Coordinator
A. Overall SBP Implementation				
1. Communicate SBP: a. Externally	To City Manager and Council	To City Manager, Council and PUAC		
b. Internally	Policy Changes	Department-Wide "Road Show"	To Divisions	SBP Implementation Teams
2. Coordinate and Integrate Cross-Strategies			Align and Link to Division Activity	Provide Tactical Continuity
3. Balance Resources and Resolve		Lead Resolution	Prioritize and Balance Resources	
4. Evaluate SBP Results		Report Enterprise Scorecard (quarterly)	Review of Goals and Objectives Met	Track Results
B. Each Strategy Implementation				
1. Launch Strategy		Attend Kickoff		Attend Kickoff
2. Detail Action Plan				Receive Detailed Action Plan
3. Execute Action Plan			Attend Selected Events	Monitor Activity Monthly
4. Monitor Progress				Record Results from Implementation Teams
C. Continued Strategic Activity and Alignment				
1. Monitor Internal and External "Landscape"	Provide Perspective		Semi-Annual Review of Factors and Goals	Provide Material and Research
2. Align Department-Wide Initiatives		Lead Alignment	Monitor for Strategic Alignment (quarterly)	
3. Review and Update SBP	Coordinate Updates between WD and MWWD	Initiate and Lead Annual Update	Perform Annual Update	Facilitate Annual Update

Table 2. SBP Implementation Process, Organizational Integration and Shared Leadership.



IMPLEMENTATION PROCESS

Strategy Resources				
Strategy Advocate	Sponsor Team	Initiative Manager	Tactic Responsible Party	Initiative Teams
To PUAC	To PUAC	Public Information (Brochure, Website, Other)		
Department-Wide "Road Show"	To Implementation Team Members	Tactic Results and Progress with Responsible Party Strategy Advocate	To Initiative Teams and Initiative Manager	
Identify and Coordinate with Related Strategies				
		Identify Resource Needs	Identify Capability in Organization	
Report Strategy Scorecard (Monthly)	Collect Strategy Scorecard Measures	Consolidate and Review Tactic Measures	Be Responsible for Tactic Measures	Collect Tactic Measures
Attend Kickoff		Select Initiative Team Members	Select Initiative Team Members and Managers	
Receive Detailed Action Plan	Receive Detailed Action Plan	Develop Tactical Actions	Approve Tactical Actions	Develop Tactical Actions
	Carry out Actions	Monitor Activity (weekly and monthly)		Manage Activity (weekly and monthly)
Report on Strategy Scorecard (monthly)		Track Activity (monthly)		
Review Effect on Strategy	Review Effect on Strategy			
Lead Strategy Specific Update	Support Strategy-Specific Update	Provide Progress Report	Review Progress Report	



Strategic Business Plan Coordinator

The SBP Coordinator is involved in the facilitation of all SBP activities. The SBP Coordinator plays a key role in monitoring progress and providing information to the WET and SBP Teams in order to maintain progress. The SBP Coordinator maintains the official progress reports for the WET and Department Director and communicates internally to teams and groups working on SBP activities. The SBP Coordinator is involved in all SBP activities and provides continuity between them.

Strategy Advocate Each of the Water Department's key strategies has an advocate assigned from the WET. The Strategy Advocate is responsible to monitor and update their Strategy as a part of the annual SBP update and throughout implementation. The Strategy Advocate is not a position with authority or responsibility for the strategy implementation but rather a key figure ensuring each strategy gets appropriate attention and consideration. The Strategy Advocate will lead the Sponsor Team during strategy creation, review and update, and work with the Implementation Team to ensure that progress is reported monthly. The Strategy Advocate will communicate internally regarding their specific strategy.

Sponsor Team The Sponsor Team is made up of WET members and is the sponsoring body for a specific strategy. The Sponsor Team works with the Strategy Advocate during strategy planning to ensure that a proper level of expertise is applied to the creation, update and implementation of their strategy. The Sponsor Team will assist in collecting performance measures and identifying the needs of each strategy.

Initiative Manager The Initiative Manager is the project manager assigned to the specific program, project or initiative, and is responsible for leading the Implementation Team and seeing that performance measures are collected and reported accurately.

Tactic Responsible Party The Tactic Responsible Party is the manager responsible for a project, program or initiative that is a tactic supporting an SBP Strategy. This person is normally a section or division head. The Tactic Responsible Party is in fact the leader whose performance will be measured based on the success of the tactic.

Initiative Teams These are the teams of staff members responsible for carrying out the programs, projects and initiatives that are the tactics in the Department's strategies. The Initiative Teams are responsible for collecting and reporting results that will be rolled up on to the Strategy Balanced Scorecards.

Continued Strategic Alignment

During continued strategic alignment and planning activities, the Water Department's leaders assume the majority of responsibilities and will ensure future updates of the SBP are done in the proper context and for the right reasons. This may require adjustment of Strategies, Tactics, Business Goals, Performance Measures and Targets. This is the main responsibility of the Strategy Advocate and Sponsors.

During implementation activities, the Water Executive Team will make implementation decisions. Initiative Manager and Initiative Teams will provide periodic reports to the WET to enable ongoing operational and strategic planning.

Applicable Trends for the Water Department

To identify the issues to address in the Strategic Business Plan, the Department conducted research on “big-picture” industry trends, using data from the AwwaRF project titled, “A Strategic Assessment of the Future of Water Utilities,” as a basis. The following trends applied to the San Diego Water Department.

Infrastructure/Rate Pressure

The nation’s water and wastewater infrastructure is aging. The Water Department is facing a common challenge: the need to maintain, replace and expand water infrastructure at significant cost against a backdrop of resistance to rate increases. Demonstrating effective stewardship of existing resources within budget, on-schedule infrastructure delivery coupled with visible cost containment efforts will likely be a prerequisite for maintaining support for rate increases.

Specific facts supporting the need for the Water Department to consider this trend include:

- The Water Department’s Capital Improvements Program (CIP) is \$535 million for FY03 to FY07;
- The City’s water treatment plant capacity is being expanded by 155 million gallons per day (MGD) to accommodate projected growth;
- Securing adequate rate increases to fund water system improvements requires political and public acceptance.

Water Quality (Environmental) Regulations

The Federal and State Safe Drinking Water Acts have established a proscriptive process

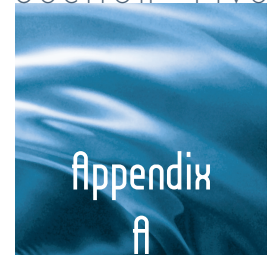
for development of water quality standards. Improvements in detection technology have identified previously unconsidered contaminants in drinking water that will trigger regulatory action as well as compliance strategies. Specific strategies for tracking, influencing, managing and communicating drinking water contaminant issues will be needed. Other environmental regulations must be considered including the Endangered Species Act, Clean Water Act (for discharges) and Clean Air Act.

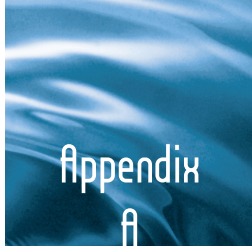
Specific facts supporting the need for the Water Department to consider this trend include:

- The Water Department has been under a Compliance Order from the California Department of Health Services for system improvements since 1997;
- New certification requirements for Distribution System Operators took affect in 2001;
- The Government Accounting Standards Board Ruling 34 (GASB34) drives the need to assess and manage assets;
- Regulations for disinfection and the Disinfection By Products Rule have affected treatment options for the City’s Water Treatment Plants;
- The Environmental Protection Agency’s Vulnerability Assessment mandate is likely the first of many security regulations to come.

Human Resources Program and Human Relations

Trends are often difficult to discern and interpret. The most certain trend facing water utilities is that of demographic





changes in the community. These are measurable and, to a large extent, predictable. They include shifts in ethnicity within the community, aging of the population and work force, and population growth. These changes will influence:

- Efforts to have the Water Department reflect the community and its values;
- Succession planning;
- Human Resources Program planning;
- Communication strategies, and
- Employee development.

Annual turnover within the Water Department has been approximately 10 percent for the last two years. The Department must develop strategies to replace skill sets, and preserve institutional memory. Supporting the need for the Department to consider this trend includes:

- Ethnically diverse customer and employee base;
- Increasing customer sophistication with one of the highest uses of the Internet per capita in the U.S.;
- High overall Department retirement projected, up to 20 percent in the next five years;
- A relatively young City population base with a median age of 32.

External/Internal Communications Needs

The ultimate effectiveness of the Strategic Business Plan will be influenced by the effectiveness of the Water Department's communications strategy. This communications strategy must include active listening and open communication. It must also be designed to understand that strategically important decisions for the community can be founded on facts

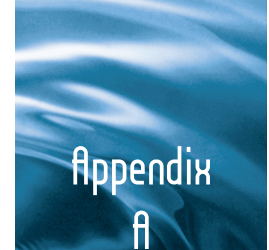
and informed deliberation. Understanding opposing and supporting viewpoints and being responsive to those viewpoints requires a concerted outreach effort.

Understanding stakeholders is a "process, not a destination." It needs to be regularly revisited as views and issues change. Engaging the stakeholders in ongoing dialogue on water issues helps build relationships that can foster trust and support, which is essential to gaining long-term support for Water Department programs.

Strategies for communicating Water Department successes internally and externally should be considered. Building a "reservoir of good will" in the community to maintain and build trust is essential to the long-term success of the Water Department. Critical to building this "reservoir" is a thoughtful, proactive and sustained communications effort involving key stakeholders in the activities of the Water Department.

Workforce/Business Processes Improvement

Creating and demonstrating a competitive utility will be critical. As discussions take place concerning infrastructure replacement and rate increases, it is reasonable to anticipate there will be calls for cost containment and, possibly, evaluation of alternative service provision models. The efficiency of business processes and personnel is normally among the topics to emerge. The SBP includes strategies to create, maintain and measure effectiveness and efficiency as a means to improve workforce and business processes. This may include specific strategies for automation, work practice redesign, outsourcing or in-sourcing, reorganization and consolidation, etc.



Specific facts supporting the need to consider this trend include:

- A “Bid-to-Goal” optimization is currently being developed in the Water Operations Division;
- Operations Optimization is currently being implemented to decrease energy and raw water costs;
- Contract operators are currently building and operating facilities in the County and other parts of Southern California;
- The Department has committed to not hiring additional employees through Fiscal Year 2007.

Technology Advances

The pace of technological change is breathtaking with major recent innovations in wireless technology, computer systems integration, Internet, nano-technology, miniaturization, biotechnology and computing power. There is no evidence to suggest this pace of innovation will slow. Strategies for tracking, assessing, adopting and managing technological change from a business process standpoint, as well as a human resource standpoint, should be considered. Strategies for ensuring the “right” technology is implemented and that the benefits of implementing that technology are measured, recognized and taken credit for will be important to improving the efficiency of the organization and building public trust and support.

Specific facts supporting the need to consider this trend include:

- The number of Department employees using the computer network continues to increase;
- Highly automated plants and distribution systems have become a Department standard;
- Electronic Bill Payment and Presentment allows customers to receive bills, make

payment, and get information on the Internet;

- Next generation systems are being developed and implemented by the Department to further increase customer service, minimize costs, and meet regulatory requirements.

Water Resources Scarcity

The arid southwest has a long history of remarkable water infrastructure projects built by enterprising water managers. The rapid population growth, coupled with the increasing difficulty of tapping traditional sources of supply (rivers) has caused a shift to the use of “unconventional” sources of supply like recycled water, desalination, treatment of brackish groundwater, conservation, etc. The trend toward increasing dependence on these sources of supply will continue. The technical, political, environmental, public policy and cost implications of the increased use of these resources should be tracked and managed. Given the comparatively long lead time required to implement a project, explicit strategies for creating and/or maintaining a supportive climate should be considered.

Specific facts supporting the need to consider this trend include:

- 75 percent to 100 percent of current water supply is dependent on imported water from the Metropolitan Water District of Southern California via the San Diego County Water Authority;
- An identified annual deficit of approximately 122,000 Acre Feet of water will exist during a critically dry year scenario by the year 2030;
- The Water Department has a goal to use 6MGD of recycled water by the end of 2004 and 12MGD by 2010;
- The City of San Diego’s population is projected to reach two million by 2030.



Table of Acronyms and Abbreviations

Acronym or Term	Definition
AWWA	American Water Works Association
AwwaRF	American Water Works Association Research Foundation
Cal-OSHA	California Occupational Safety and Health Administration
CIP	Capital Improvements Program
City -10	The City of San Diego's 10 Delegates to the County Water Authority Board
CIS	Customer Information System
CMMS	Computerized Maintenance Management System
CRMS	Customer Relationship Management System
DHS	California Department of Health Services
GIS	Geographic Information System
ISD	Instructional System Design
IT	Information Technology
MGD	Million Gallons per Day
MWWD	Metropolitan Wastewater Department
PUAC	Public Utility Advisory Commission
SBP	Strategic Business Plan
SCADA	Supervisory Control and Data Acquisition System
SDDPC	San Diego Data Procession Corporation
SLA	Service Level Agreement
STATION 38	The City's call center for non-life threatening operational emergencies
SWIM	Sewer Water Infrastructure Management
TIDES	Totally Integrated Data Enterprise System
WD	San Diego Water Department
WET	Water Executive Team
WST	Water Systems Technician

Table of Tactics and Responsibilities

Tactic Schedule	No	Tactic	Current Initiative	Responsible Resource	Involved Resources
BUILD PUBLIC TRUST, PARTNERSHIPS AND CUSTOMER SATISFACTION					
A	1	Use the Department's lobbyist to assist with educating State and Federal Agencies on the Department's achievements and needs.	Grants and Legislative Program	Water Policy, Business Operations	All Divisions
A	2	Integrate Station 38's role in Department's emergency operations process.		Water Operations	Water Operations, Customer Support
A	3	Implement an enhanced Speakers Bureau Program, which includes presentations on key Department issues including water supply, our history, where we are going, and how customers, stakeholders and employees can help us achieve our goals and objectives.	Speakers Bureau	Water Policy	Water Executive Team, Public Information
A	4	Participate in more community events, such as fairs, parades, and school events to share the Department's rich history, its services and its commitment to the community		Water Executive Team	Public Information, All Divisions
B	5	Develop a Communication Plan to interact with and educate customers on overall services provided.		Customer Support	Public Information
B	6	Develop and implement a Customer Survey to monitor service performance and track key performance measures.		Director	Public Information
B	7	Create suggestion forms via Internet mail to give people an opportunity to provide feedback on how the Department is doing.		Customer Support	Public Information
B	8	Begin a Neighborhood Recognition Award Program for Water Conservation.		Customer Support	Water Conservation
B	9	Develop and implement a Department-wide process that tracks and monitors customer inquiries, service requests and complaints for timely resolution and follow-up to ensure outstanding customer service.	QualServe Performance Indicators Benchmarking	Water Policy	All Divisions
C	10	Establish periodic workshops for Mayor, Council, PUAC and others, on topics that impact the Water Department.		Water Policy	All Divisions
C	11	Schedule semi-annual meetings with Mayor, Council, and Manager to discuss Water Department issues and to provide updates on CIP Projects.	Capital Improvements Program	CIP Program Management	CIP Program Management, Public Information
C	12	Develop a Neighborhood Watch Program for leak repairs.		Customer Support	Public Information, Water Operations, Customer Support
C	13	Encourage all employees' participation on water industry professional committees and boards.		Water Executive Team	All Divisions
C	14	Find opportunities to be innovative in the water industry by piloting new opportunities to build partnerships on projects.		Water Executive Team	All Divisions

A: Tactics Currently Underway
 B: Tactics to Begin in FY05
 C: Future Tactics Beyond FY05

Tactic Schedule	No	Tactic	Current Initiative	Responsible Resource	Involved Resources
EMPLOYEE AND WORKFORCE DEVELOPMENT					
A	1	Build and encourage high-performing teams by incorporating into all performance plans and templates expectations of specific attitudes and behaviors that are key ingredients to effective teamwork.	New Employee Performance Program	Water Executive Team	All Divisions
A	2	Continue enhancements to the Water Department Performance Library, providing supervisors with all the necessary tools to communicate with and evaluate employees to division work measures and expectations, and mechanisms to aid employee development.	Performance Library (Department-wide)	Human Resources	All Divisions
A	3	Ensure appropriate and inappropriate behavior and performance is immediately recognized and addressed in a timely and appropriate manner through continuous communication, coaching and the training of supervisors and managers.	Employee Performance and Discipline Program	Water Executive Team	All Divisions
A	4	Continuously assess the effectiveness of each Department's Rewards & Recognition programs through surveys and other employee feedback mechanisms. Update or enhance the programs in order to meet the objective of motivating employees to maximize productivity and achieve their full potential.	Rewards & Recognition Program (Department-wide)	Human Resources	All Divisions
A	5	Continue enhancing the Training Section by supporting the Section's International Association Continuing Education Training certification status which enables it to provide services such as specialized training for Water Systems Technician, continuing education for Water classifications and Instructional System Design Model. Maintain accurate and timely training records.	Spring Academy, Water Academy, Customer Support Training Program, Training Safety for Cal-OSHA compliance, Training for Supervisors & Employees, Sexual Harassment Education	Human Resources	All Divisions
A	6	Continue the Internship Program for engineers and administrative positions.	City Program	Water Executive Team	All Divisions
A	7	Continue current employee development programs such as Club 70, to assist employees to improve their test-taking skills.	Partnership with READ San Diego	Human Resources	Water Operations, Customer Support
A	8	Encourage employees' use of City educational incentive programs such as certification pay, registration pay, tuition and certification reimbursement.	City A.R. and Department D.I.	Water Executive Team	All Divisions
A	9	Provide classroom and on-the-job training to ensure a flexible and well-trained workforce.	WST Training Program	Human Resources, Water Executive Team	All Divisions
A	10	Implement a Department-wide Medical Program so employees, supervisors, managers and other departments assist with employees' return to work after injury.	Formal Medical Program	Human Resources, Operations	All Divisions

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Tactic Schedule	No	Tactic	Current Initiative	Responsible Resource	Involved Resources
EMPLOYEE AND WORKFORCE DEVELOPMENT - CONTINUED					
A	11	Develop consistent, accurate and reflective performance standards for all employees.	Employee Performance and Discipline Program	Water Executive Team	All Divisions
A	12	Enhance the New Employee Water Academy for field/plant construction and maintenance employees to include all required specialized training for DHS Distribution Operator certification. Also, ensure employees understand and apply all Cal-OSHA requirements while performing daily tasks and provide hands-on field training.	Field/Plant Water Academy	Human Resources	Water Executive Team
B	13	As part of employee development, encourage employee participation on boards and committees in professional organizations by incorporating such discussions in employee performance evaluations.		Water Executive Team	All Divisions
B	14	Review and identify classifications that would be conducive to centralized hiring.	HR Study	Human Resources	Water Executive Team
B	15	Identify existing classifications where duties can be collapsed into one classification series, excluding the Water Systems Technician classification.		Human Resources	Water Executive Team
B	16	Promote internal Water Department rotations among engineering, field and administrative employees to allow them the opportunity to expand their work experience.		Water Executive Team	All Divisions
C	17	Develop a Department Succession Plan to ensure institutional knowledge is captured, by creating a team to review and determine key positions throughout the Department and develop recruitment and training strategies to mitigate problems caused by turnover.	Strategic Business Plan	Human Resources, Water Executive Team	All Divisions
C	18	Develop leadership training modules for supervisors to enhance leadership, organization and communication skills.	HR Team	Human Resources	All Divisions
C	19	Create a partnership with educational institutions, to enhance the Departments ability to have a broad pool of qualified candidates.	Partnership with Community Colleges	Water Executive Team	Water Operations, Customer Support
C	20	Evaluate and make recommendations for a formal New Employee Orientation Program.		Human Resources	Water Executive Team
C	21	Survey employees to assess the effectiveness of mandatory by law training.	Strategic Business Plan	Human Resources	All Divisions

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Tactic Schedule	No	Tactic	Current Initiative	Responsible Resource	Involved Resources
DEMAND ACCOUNTABILITY					
A	1	Provide continuous feedback to employees and service providers based on objectively measured performance metrics.	Employee Performance and Discipline Program, Contract/Grant Tracking and Administration	Water Executive Team, Human Resources, Business Operations	Water Executive Team, All Divisions
A	2	Create an environment that encourages and rewards people for accountability and consistently being a high performer.	Bid-to-Goal	Water Operations	Water Operations
A	3	Participate in industry benchmarking and standards setting efforts such as QualServe Benchmarking Clearinghouse.	Department Benchmarking	Water Policy	Water Policy
A	4	Evaluate and implement Bid-to-Goal as appropriate Department-wide.	Bid-to-Goal	Water Operations	Water Executive Team
A	5	Review existing Department and/or division policies and procedures and take necessary steps to ensure employees are familiar with them and that they comply with them.		All Divisions	All Divisions
A	6	Ensure external contracts are monitored and enforced.	Contract/Grant Tracking and Administration	Business Operations	All Divisions
B	7	Identify and monitor roles, responsibilities and accountabilities for all employees.	Strategic Business Plan, Bid-to-Goal	Water Policy, Water Operations	Water Executive Team, Water Operations
B	8	Develop Service Level Agreements (SLAs) that recognize and acknowledge good service as well as provide performance metrics to identify substandard service and trigger correction or cancellation provisions as warranted.	Contract/Grant Tracking and Administration	Business Operations	All Divisions
B	9	Strengthen collaboration among service providers and Department.	Contract/Grant Tracking and Administration	Business Operations	All Divisions
C	10	Incorporate performance measures into individual employee performance plans.	Strategic Business Plan, Bid-to-Goal	Water Policy, Water Operations	Water Executive Team, Water Operations
C	11	Identify essential objectives for acceptable service and translate the requirements into measurable and accountable performance standards.	Contract/Grant Tracking and Administration	Business Operations	All Divisions
C	12	Measure service activity results against defined service levels.	Strategic Business Plan, Bid-to-Goal, Fiscal Performance Monitoring	Water Policy, Water Operations	Water Executive Team, Water Operations
C	13	Examine measured results to identify problems and determine causes.	Strategic Business Plan, Bid-to-Goal	Water Policy, Water Operations	Water Executive Team, Water Operations
C	14	Take appropriate action to correct unsuccessful activities, processes and deliverables and prevent problems from recurring.	Strategic Business Plan, Bid-to-Goal	Water Policy, Water Operations	Water Executive Team, Water Operations

A: Tactics Currently Underway

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Tactic Schedule	No	Tactic	Current Initiative	Responsible Resource	Involved Resources
DEMAND ACCOUNTABILITY - CONTINUED					
C	15	Periodically post reports on how well Department teams are meeting their performance measures.	Strategic Business Plan, Bid-to-Goal	Water Policy, Water Operations	Water Executive Team, Water Operations
C	16	Ensure that SLAs are focused on and support requirements that are linked to a strategic goal.	Contract/Grant Tracking and Administration	Business Operations	All Divisions
C	17	Create an SLA Coordinator/Analyst who is responsible for reviewing and updating SLAs as needed. This position should report to the Business Operations Division Manager.	Contract/Grant Tracking and Administration	Business Operations	Business Operations
C	18	Ensure that standard operating procedures for each job classification are documented and each employee understands their responsibilities	Bid-to-Goal	Water Operations	Water Operations
C	19	Develop an effectiveness and efficiency survey for business units that provides feedback on meeting business objectives and how successfully the Department uses resources to produce desired results.	Bid-to-Goal	Water Operations	Water Operations
C	20	Establish "Standards of Work Conduct" Department-wide for all classifications.		Human Resources	All Divisions

Tactic Schedule	No	Tactic	Current Initiative	Responsible Resource	Involved Resources
EFFECTIVELY USE EXISTING WATER RESOURCES AND OBTAIN ALTERNATIVE SUPPLIES					
A	1	1. Implement the San Diego Water Department Long-Range Water Resources Plan. Develop and implement programs to meet the plan's objectives for alternative water supplies and enhance existing programs by 2010: <ul style="list-style-type: none"> Groundwater treatment program 10,000 acre-feet per year; Recycled water program 15,000 acre-feet per year; Groundwater storage program 20,000 acre-feet per year; Conservation program 32,000 acre-feet per year; Water transfer program 5,000 acre-feet per year. 	Long-Range Water Resources Plan	Water Policy	Water Policy
A	2	Develop new, and strengthen existing, partnerships with other water agencies and private industry to provide the City with opportunities to augment water sources and more effectively use existing facilities and sources.		Director, Water Policy	Water Policy, Water Operations, CIP Program Management, Customer Support
A	3	Develop City-10 and PUAC relationships to be supportive of, and advocate for, this strategy.	City-10 Management	Director, Water Policy	All Divisions
A	4	Proactively position the Water Department to receive outside funding through lobbying activities at the State and Federal levels to implement the Long-Range Water Resources Plan.	State and Federal Legislative Advocates	Director, Water Policy, Business Operations	Contracts, Grants and Legislative Program, Water Policy
A	5	Actively pursue working with CWA and MWD to maximize water deliveries through existing water sources and incentive programs to effectively utilize the City's water system assets.		Water Operations	Water Operations, Water Policy
A	6	Decisions on alternative water sources, participation in research and technology, and partnerships should be considered after evaluating the costs and benefits.	Long-Range Water Resources Plan	Water Policy	Water Policy
A	7	Actively protect the City's watersheds through education and partnerships with developers and other stakeholders.	Source Water Guidelines Protection, San Dieguito River Watershed Management Planning & Implementation	Water Operations	Water Operations
A	8	Pursue future, and protect and leverage existing, water and capacity rights.		Water Policy	Water Operations, Business Operations
A	9	Develop and manage the annual Water Purchase Plan in the most cost-effective way.		Water Operations	Business Operations, Water Operations

Tactic Schedule	No	Tactic	Current Initiative	Responsible Resource	Involved Resources
EFFECTIVELY USE EXISTING WATER RESOURCES AND OBTAIN ALTERNATIVE SUPPLIES - CONTINUED					
A	10	Implement the Water Systems Operation Optimization Plan to operate the system in the most efficient and cost-effective manner.	Bid-to-Goal	Water Operations	Water Operations
A	11	Execute capital projects to reduce City's imported treated water purchases.	Capital Improvements Program	CIP Program Management	CIP Program Management, Water Operations
B	12	Identify appropriate resources, including staffing, to ensure success of this strategy.	Strategic Business Plan	Water Policy	Water Executive Team
B	13	Review and modify Council Policies 400-9 (Action Plan for City's Future Water Supply) and 400-4 (Emergency Storage) to reflect the Water Department's strategic direction.	Strategic Business Plan	Water Policy	Water Policy, Water Operations
B	14	Develop and implement a desalination program (brackish groundwater and/or ocean water) by the year 2012.	Long-Range Water Resources Plan	Water Policy	Water Policy
B	15	Develop water resource opportunities such as beneficial water reuse programs through keeping up with industry trends.	Long-Range Water Resources Plan	Water Policy	Water Policy
C	16	Pursue opportunities to evaluate and develop new technology, keep abreast of latest industry research, and be actively involved in such activities that directly benefit the Water Department.		Water Policy	Water Operations, Business Operations
C	17	Identify long-range CIP (20 years) to include projects supporting this strategy.	Long-Range Water Resources Plan	Water Policy	CIP Program Management

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Tactic Schedule	No	Tactic	Current Initiative	Responsible Resource	Involved Resources
AUGMENT REVENUE STREAMS AND CONTROL COSTS					
A	1	Effectively employ consultants, lobbyists, and industry organizations to influence legislation in order to maximize grant opportunities and minimize cost impacts.	Federal/State Grant Consultant	Business Operations	Legislative Coordinator
A	2	Establish aggressive participation on behalf of the Water Department in legislative workgroups to enhance grant opportunities and avoid cost impacts.	Grant Development Process	Business Operations, Water Policy	Contracts, Grants, Legislative Coordination
A	3	Review existing contracts to ensure all affected employees are knowledgeable of the services to be received and that appropriate amounts are being charged for contractual services rendered.	Contract/Grant Tracking and Administration	Business Operations	Contracts, Grants, Legislative Coordination
A	4	Enhance the contract monitoring system to track actual versus expected revenues to be received.	Fiscal Performance Monitoring and Reporting, Contract/Grant Tracking and Administration	Business Operations	Contracts, Grants, Legislative Coordination
A	5	Develop strict procedures and processes for the review and revision of all fees and charges.		Business Operations	Business Operations, Customer Support, Water Operations
A	6	Develop an effective cost and performance tracking mechanism for Service Level Agreement's (SLA's) requirements including SLA provisions providing for effective enforcement and mitigation.	Fiscal Performance Monitoring and Reporting, Contract/Grant Tracking and Administration	Business Operations	Contracts, Grants, Legislative Coordination
A	7	Monitor the Department's portfolio of real property in order to identify opportunities to maximize the yield from sales and leases.	Fiscal Performance Monitoring and Reporting	Business Operations	Contracts, Grants, Legislative Coordination, Water Operations
A	8	Develop public/private partnerships to reduce financial outlays associated with the acquisition of a Central Water Department Facility.	Facility on Copley Drive	Director	Director
A	9	Develop lease/purchase or comparable financing for the implementation of a Computerized Maintenance Management System.	Computerized Maintenance Management System	Water Operations	Information Systems
A	10	Identify City or other agency water system facilities that can be leased or shared to enhance revenue or reduce costs. The review would include particular emphasis on water storage, transportation, and treatment facilities as well as raw water exchanges.		Water Operations	Business Operations, Water Operations
A	11	Establish partners for capital and operating program cost sharing and develop opportunities to sell Department services and products including, but not limited to, recycled and potable water.		Business Operations	All Divisions

A: Tactics Currently Underway
B: Tactics to Begin in FY05
C: Future Tactics Beyond FY05

Tactic Schedule	No	Tactic	Current Initiative	Responsible Resource	Involved Resources
AUGMENT REVENUE STREAMS AND CONTROL COSTS - CONTINUED					
A	12	Provide for proper accounts payable handling through the development of comprehensive procedures and use of trained personnel in Business Operations Division and other divisions.		Business Operations	All Divisions
A	13	Improve long-term financial planning by updating on an annual or more frequent basis, the existing 10 year revenue and expense projections. The 10-year plan should be enhanced by developing comprehensive and detailed capital and operating cost and revenue projections, as well as include an analysis of the adequacy of existing rates and financing.	Fiscal Performance Monitoring and Reporting, Annual Budget Process & updated Rate Case/ Financial Plan	Business Operations	All Divisions
A	14	Ensure the new General Ledger System meets the Department's cost monitoring, tracking and reporting needs.	General Ledger System	Business Operations	Business Operations, Information Services
B	15	Establish an effective organizational structure, with the appropriate expertise in the Water Policy Division, to administer the Department's legislative affairs.	Strategic Business Plan	Director, Water Policy	Water Executive Team
B	16	Prepare and prioritize the elements of a strategy instrument (tool) containing designated areas and efforts to pursue optimum funding opportunities.	Grant Development Process	Business Operations, Water Policy	Business Operations
B	17	Cooperate with other departments through the SLA process, or alternative means, to ensure all revenue due is received and routine audits are performed (e.g. lakes concessions, developer fees, property leases, etc.).	Fiscal Performance Monitoring and Reporting, Contract/Grant Tracking and Administration	Business Operations	Business Operations
B	18	Provide extended oversight and involvement of Water Policy Division personnel to identify potential cost sharing opportunities in the form of development agreements and related cost sharing/ revenue producing partnerships.		Business Operations	Water Policy, Business Operations
B	19	Ensure each employee responsible for a budget is trained and able to access current budget data.	Fiscal Performance Monitoring and Reporting	Business Operations	Budget Administration Group
B	20	Periodically utilize Zero-Based Budgeting principles to review and prepare budget requests in order to validate and re-establish program finding.	Annual Budget Process & updated Rate Case/ Financial Plan	Business Operations	Budget Administration Group
B	21	Establish working relationships with other departments and organizations to provide relevant input to the Water Department's long and short term financial plans allowing for the timely receipt of requirements to meet annual budget preparation schedules and long-term plan updates.	Annual Budget Process & updated Rate Case/ Financial Plan	Business Operations	Budget Administration Group
B	22	Require purchase justification for budgeted and non-budgeted equipment outlay over \$5,000.	Annual Budget Process & updated Rate Case/ Financial Plan	Business Operations	All Divisions

A: Tactics Currently Underway
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Tactic Schedule	No	Tactic	Current Initiative	Responsible Resource	Involved Resources
AUGMENT REVENUE STREAMS AND CONTROL COSTS - CONTINUED					
B	23	Designate a project manager to be responsible for any initiative greater than \$100,000. The project manager must adhere to the standard project management methodology and develop a project concept and/or business case justification as required.		Business Operations	All Divisions
B	24	Require a structured Business Case justification for new and existing CIP projects and other initiatives over \$500,000.	Strategic Business Plan	CIP Program Management	CIP Program Management
B	25	Place responsibility for administering budget to lowest applicable level, such as the senior supervisor level.	Annual Budget Process & updated Rate Case/ Financial Plan	Business Operations	Budget Administration Group
B	26	Develop procedural models and processes such that employees may recognize opportunities and take calculated risks as opposed to performing costly and inconsequential studies.		Business Operations	Business Operations
B	27	Review and adjust existing fees and charges every 3-5 years to ensure they reflect the actual costs of providing service or an appropriate market rate of return.	Update Fees and Charges	Business Operations	Business Operations
B	28	Perform cost of service study updates on a regular basis.		Business Operations	Business Operations
C	29	Enhance the water meter calibration and replacement program to ensure the appropriate amount of revenue is received for water deliveries.		Customer Support	Customer Support
C	30	Establish new fees and charges where appropriate to ensure services and property/facility usage is appropriately compensated.		Business Operations	All Divisions
C	31	Ensure that SLAs are re-justified and reprioritized for funding each year as a part of the budget development process based on past performance criteria and Department priorities.	Annual Budget Process & updated Rate Case/ Financial Plan, Fiscal Performance Monitoring and Reporting, Contract/Grant Tracking and Administration	Business Operations	Business Operations
C	32	Use volunteers cost-effectively and develop other sources to help the Water Department whenever and wherever possible.		Business Operations	All Divisions

Tactic Schedule	No	Tactic	Current Initiative	Responsible Resource	Involved Resources
ACQUIRE AND IMPLEMENT APPROPRIATE INFORMATION TECHNOLOGY					
A	1	Establish an IT operating committee consisting of peers and subject matter experts to recommend project prioritization.	Water Information Systems Master Plan	Information Services	Information Services, Water Executive Team
A	2	Create an IT steering committee made up of the WET.		Water Executive Team	Water Executive Team
A	3	Utilize the current Information System Master Plan for IT decision making.	Water Information Systems Master Plan	Information Services	Information Services
B	4	Update the Water Information Systems Master Plan to comply with the Strategic Business Plan and with the City IT Strategic Plan.	Water Information Systems Master Plan	Information Services	Information Services
B	5	Perform reviews of potential IT fatal system failures and determine impact on the Department.	LAN/WAN Plan	Information Services	Information Services
B	6	All Water/Wastewater bills will be reviewed to ensure they are within expected levels based on historical consumption.	Ongoing effort	Customer Support	SDDPC
B	7	Develop and implement a schedule for retiring and replacing standard personal computer systems.	Water Information Systems Master Plan	Information Services	Information Services
B	8	Regularly evaluate existing IT services, technologies and systems and pursue process improvements and/or new systems/technologies where appropriate.	LAN/WAN Plan	Information Services	Information Services
B	9	Implement and enforce procedures for business staff and IT staff to perform IT project management.	City Information Strategic Plan	Information Services	All Divisions
B	10	Replace Customer Information System (CIS) with a Customer Relationship Management System (CRMS) which is interfaced with other financial and purchasing systems.	PISCES	Customer Support	Customer Support, Information Services
B	11	Develop a comprehensive data management strategy.	TIDES, Water Information Systems Master Plan	Information Services	Information Services
B	12	Implement automated meter reading to commercial meters as well as residential meters for which it is cost-effective to do so.	Automated meter reading, Consultant review	Customer Support	Information Services
B	13	Project annual and long-range IT cost estimates and contingencies and incorporate these into the development of financial plans and Department priorities.	Water Information Systems Master Plan	Information Services	Water Operations, Information Services
B	14	Coordinate related IT projects to avoid redundancies, optimize tasks and acknowledge dependencies.	Water Information Systems Master Plan	Information Services	Water Operations, Information Services
C	15	Integrate Geographic Information System (GIS) data with other applications in order to provide spatial data access.	TIDES, GIS Implementation/Maintenance	Information Services	All Divisions

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Tactic Schedule	No	Tactic	Current Initiative	Responsible Resource	Involved Resources
ACQUIRE AND IMPLEMENT APPROPRIATE INFORMATION TECHNOLOGY - CONTINUED					
C	16	Replace Sewer Water Infrastructure Management (SWIM) with a Computerized Maintenance Management System (CMMS).	Water Information Systems Master Plan	Information Services	Customer Support, Water Operations
C	17	The effort to implement new technologies should be lead by business/operational staff rather than IT staff. A "Business Process Champion" should be appointed for each IT project.	Water Information Systems Master Plan	Information Services	Water Executive Team
C	18	Use wireless technologies wherever feasible.	Water Information Systems Master Plan	Water Operations, Customer Support	Information Services
C	19	Develop and implement a Water/MWWD IT strategy to enhance communications and to optimize similar projects and policies.	Water and Metropolitan Wastewater Information Systems Master Plans	Information Services	Information Services
C	20	Provide better end user training for all IT systems.	Water Information Systems Master Plan	Information Services	Information Services
C	21	Enhance Department's e-government system to improve customer access.	Water Information Systems Master Plan	Customer Support	Information Services
C	22	The Totally Integrated Data Enterprise System (TIDES) integration vision should be consistently reinforced.	TIDES	Information Services	All Divisions
C	23	Establish criteria in determining how current and future Department funds are prioritized and allocated so crucial IT projects can be initiated, consolidated and/or enhanced for optimal performance and meeting business objectives.	Annual Budget Process & Updated Rate Case/ Financial Plan, Water Information Systems Master Plan	Information Services	All Divisions
C	24	Establish a proactive IT security environment within City security guidelines.	Water Information Systems Master Plan	Information Services	Information Services
C	25	Update supervisory control and data acquisition (SCADA) with security capabilities.	Water Department Vulnerability Assessment	Water Operations	Water Operations, Information Services



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